10th Annual Report 1984

The Manitoba Milk Producers' Marketing Board

85-1266/

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INTRODUCTION

This Tenth Annual Report of The Manitoba Milk Producers' Marketing Board outlines the many activities conducted during our past dairy year, which ended July 31, 1984.

The decision of the Manitoba Milk Prices Review Commission to raise the producer price on Class 1 milk $4.67 per hectolitre effective February 17, 1984, was certainly a major occurrence for producers and provided a much needed increase in cash flow. Other highlights have been both the increase in Class 1 sales in Manitoba and also the increase of industrial milk sales in Canada which has markedly benefitted Manitoba.

Board members have continued their activities as members of various national committees including the Canadian Milk Supply Management Committee and the National Milk Recording Committee. As well, the Board has continued its work as members of the Boards of Directors of the Dairy Bureau of Canada, and the Dairy Farmers of Canada. The Board has also been very active with the Manitoba Farm Bureau, and the organization establishing that Bureau's successor.

Control of milk marketing in Manitoba continues as the major Board responsibility.

BOARD MEMBERS

A. V. Rampton - Chairman
Dauphin

L. Balcaen - Vice-Chairman
La Broquerie

S. D. Hamilton - Executive Member
Glenboro

Reinhard Dueck - Member
Kleefeld

C. Finnie - Member
Portage la Prairie

A. Goresky - Member
Stonewall

G. R. Krebs - Member
Beausejour

J. van den Ham - Member
Brandon

J. D. Wilton - Member
Carman

C. W. Vincent - General Manager
Winnipeg

Nominations were called during October, 1983 for Board Members to represent Districts No. 3, 6 and 9. In District No. 3, Mr. C. Finnie was re-elected by acclamation. In Districts No. 6 and No. 9 respectively, Mr. G. R. Krebs and Mr. Reinhard Dueck were elected.

Since the terms of office of Board Members representing Districts No. 1 (A. V. Rampton), 4 (S. D. Hamilton), and 7 (J. D. Wilton) expire in December of this year, nominations have been called for these districts.

Membership of the Executive and other committees of the Board as established during the initial meeting of the Board following the annual meeting are detailed on the following page.

BOARD EXECUTIVE

LEFT TO RIGHT: STEWART HAMILTON - EXECUTIVE MEMBER
ARTHUR V. RAMPTON - CHAIRMAN
LOUIS BALCAEN - VICE-CHAIRMAN

BOARD OF DIRECTORS (LEFT TO RIGHT)

TOP ROW: JOHN VAN DEN HAM, GORDON KREBS, JACK WILTON, CRAIG FINNIE, REINHARD DUECK, ALAN GORESKY.

BOTTOM ROW: C. W. VINCENT (GENERAL MANAGER), STEWART HAMILTON, ART RAMPTON, LOUIS BALCAEN

THE MANITOBA MILK PRODUCERS' MARKETING BOARD
STANDING ADVISORY COMMITTEES

EXECUTIVE: A. V. Rampton, L. Balcaen, S. D. Hamilton

COST OF PRODUCTION
L. Balcaen
Reinhard Dueck
S. D. Hamilton
A. V. Rampton

DAIRY PROMOTION
A. Goresky
G. R. Krebs
A. V. Rampton
J. van den Ham
M. E. Adam
P. A. McCarthy
C. W. Vincent

FINANCE
L. Balcaen
A. V. Rampton
J. D. Wilton

MARKET SHARE QUOTA ADVISORY
S. D. Hamilton
A. V. Rampton
C. W. Vincent
G. H. MacKenzie
F. Kolesar

PROCESSOR RELATIONS
Reinhard Dueck
C. Finnie
A. V. Rampton
J. van den Ham

SUPPLY & ALLOCATION
Reinhard Dueck
C. Finnie
S. D. Hamilton
A. V. Rampton

TRANSPORTATION
A. Goresky
S. D. Hamilton
G. R. Krebs
A. V. Rampton
J. Mourant
G. Tetrault

AFFILIATED ORGANIZATIONS

CANADIAN MILK RECORDING
L. Balcaen

CANADIAN MILK SUPPLY MANAGEMENT COMMITTEE
S. D. Hamilton
A. V. Rampton
C. W. Vincent

DAIRY BUREAU OF CANADA
A. V. Rampton

DAIRY FARMERS OF CANADA
L. Balcaen
A. V. Rampton

MANITOBA AGRICULTURAL EMPLOYMENT DEVELOPMENT
C. Finnie
G. R. Krebs

MANITOBA FARM BUREAU
A. V. Rampton
J. D. Wilton

MANITOBA MILK RECORDING
L. Balcaen
Reinhard Dueck

D.F.C. - NATIONAL CO-OPERATIVE DAIRY CATTLE BREEDING PROJECT
L. Balcaen

BOARD MEETINGS

During the twelve months ending July 31, 1984 a total of 29 regular meetings of the Board were convened. Since a number of the meetings held were of more than one day's duration, in all a total of 48 days were involved. Many additional days of Members' time were taken up in attendance at meetings of the various committees of the Board and of other organizations with which the Board is affiliated.

DISTRICT MEETINGS

During the month of April 1984, a total of 17 meetings in the various milk producing areas of the Province were held by the Board and attended by one or more Board Members. In addition, as stipulated in the Administration By-Law No. 1 of the Board, an Annual District Meeting was held during the period October 1st to the 20th, 1984 in each of the 9 electoral districts into which the Province is divided for Board purposes. The Notice of Meeting mailed to producers is reproduced on the following page.

TELEPHONE
786-8063

THE MANITOBA MILK PRODUCERS' MARKETING BOARD
#104 - 1580 DUBLIN AVENUE
WINNIPEG, CANADA
R3E 0L4

NOTICE OF ANNUAL DISTRICT MEETINGS 1984

Annual District Meetings of The Manitoba Milk Producers' Marketing Board will be held at 8:00 P.M. on the dates listed below:-

District 1	Friday October 12	SHOAL LAKE, Manitoba Buffalo Plains Inn
District 2	Friday October 19	BRANDON, Manitoba Agricultural Extension Centre
District 3	Tuesday October 16	PORTAGE LA PRAIRIE, Manitoba Westward Village Inn
District 4	Thursday October 11	BRUXELLES, Manitoba Bruxelles Hall
District 5	Wednesday October 10	TEULON, Manitoba Teulon-Rockwood Centennial Hall
District 6	Monday October 15	BEAUSEJOUR, Manitoba Brokenhead Municipal Hall #12 Hwy. & Main Street (E. end of town)
District 7	Thursday October 4	WINKLER, Manitoba Friendship Centre
District 8	Tuesday October 9	LA BROQUERIE, Manitoba La Broquerie Arena Hall
District 9	Wednesday October 17	GRUNTHAL, Manitoba Green Valley School Auditorium Park Street

ELECTIONS FOR BOARD MEMBER will be conducted this year in Districts No. 1, 4 and 7. Official nomination papers are available on request from the Secretary or may be obtained at the time of the meeting in the districts in which an election is to be held.

This year quite valuable door prizes will be given out which alone will make you glad to attend.

The following subjects will be discussed plus any that you wish to raise. We hope to have an additional staff member attend to add further interest to the meetings.

1. Introduction
2. Minutes of previous meeting
3. New Quotas and Levies
4. Dairy Promotion
5. Annual Meeting Attendance
6. Other Business

In the event it is inconvenient for you to attend the Annual District Meeting scheduled for your area, you are welcome to attend any other Annual District Meeting.

Dated at Winnipeg in Manitoba this 24th day of September, 1984.

THE MANITOBA MILK PRODUCERS' MARKETING BOARD
104 - 1580 DUBLIN AVENUE
WINNIPEG, MANITOBA
R3E OL4

APPENDIX "A"

Pursuant to Section 1 of this Administration By-Law the following nine districts are established composed of the Municipalities hereinafter set out opposite the number of each district.

District #1

Alonsa
Archie
Birtle
Blanshard
Boulton
Clanwilliam
Consol
Dauphin
Ellice
Ethelbert
Gilbert Plains
Glenella
Grandview
Hamiota
Harrison
Hillsburg
Lawrence
McCreary
Miniota
Minitonas
Minto
Mossey River
Mountain #1
Mountain #2
Ochre River
Odanah
Park 1
Park 2
Rosedale
Rossburn
Russell
Ste. Rose
Saskatchewan
Shellmouth
Shell River
Shoal Lake
Silver Creek
Strathclair
Swan River
The Pas District

District #2

Albert
Arthur
Brenda
Cameron
Cornwallis
Daly
Edward
Elton
Glenwood
Morton
North Cypress
Oakland
Pipestone
Riverside
Sifton
Wallace
Whitehead
Whitewater
Winchester
Woodworth

District #3

Cartier
Grey
Lakeview
Langford
Lansdowne
North Norfolk
Ptge. la Prairie
Westbourne

District #4

Argyle
Dufferin
Lorne
Louise
Pembina
Roblin
South Cypress
South Norfolk
Strathcona
Thompson
Turtle Mountain
Victoria

District #5

Armstrong
Difrost
Coldwell
Eriksdale
Fisher
Gimli
Grahamdale #1
Grahamdale #2
Rockwood
St. Laurent
Siglunes
Woodlands

District #6

Alexander
Brokenhead
Lac Du Bonnet
McDonald
Pinawa
Reynolds
Richot
Rosser
St. Andrews
St. Clements
St. Francois Xavier
Springfield
Victoria Beach
Whitemouth
Winnipeg Area

District #7

Franklin
Montcalm
Morris
Rhineland
Roland
Stanley

District #8

La Broquerie
Piney
Ste. Anne
Stuartburn
Tache

District #9

De Salaberry
Hanover

MILK PRICING

PRICES PAID BY PROCESSORS FOR
EACH CLASS OF UTILIZATION
($/cents per hectolitre)

	June 1979	October 1979	June 1980	October 1980
Class 1	32.22	32.22	36.08	36.08
Class 2	26.69	27.62	29.92	31.64
Class 2A	25.98	26.91	29.21	30.93
Class 2B	25.84	26.77	28.99	30.71
Class 3	23.73	24.65	26.91	28.19
Class 4	24.41	25.33	27.59	28.87
Class 5	23.83	24.69	26.98	28.28
Class 6	23.73	24.65	26.91	28.19

	June 1981	October 1981	June 1982	October 1982
Class 1	41.08	45.96	*46.03	**46.33
Class 2	34.05	35.53	37.05	38.48
Class 2A	33.34	34.82	36.34	37.77
Class 2B	33.12	34.60	36.12	37.55
Class 3	30.15	31.58	32.35	33.76
Class 4	30.83	32.26	33.03	34.44
Class 5	30.28	31.73	33.25	34.69
Class 6	30.15	31.58	32.35	33.76

	June 1983	October 1983	June 1984	October 1984
Class 1	46.33009	46.33009	51.00	51.00
Class 2	39.36	40.50	41.77	42.59
Class 2A	38.65	39.79	41.06	41.88
Class 2B	38.43	39.57	40.84	41.66
Class 3	35.15	36.28	37.06	37.88
Class 3A	-	-	-	37.88
Class 4	35.83	36.96	37.74	38.56
Class 5	35.33	36.47	37.50	38.32
Class 6	35.15	36.28	37.06	37.88
Class 7	-	-	-	37.88

* 46.02859 - June 1982
** 46.33009 - October 1982

	Production In/T.A.P. per Hectolitre(HL)	*Production In/T.A.P. per Hectolitre(HL)
June 1976	$23.04	$24.77
October 1976	24.11	25.45
June 1977	24.13	25.77
October 1977	25.13	26.40
June 1978	25.52	27.30
September 1978	26.22	27.72
June 1979	27.18	29.00
September 1979	27.99	29.52
June 1980	30.47	32.20
September 1980	31.54	33.24
June 1981	34.05	35.96
September 1981	37.23	38.68
June 1982	38.39	39.99
September 1982	39.64	40.55
June 1983	39.87	40.50
September 1983	40.89	41.21
June 1984	42.94	43.34
September 1984	43.43	43.83

*Comparative revenues after the addition of Federal subsidy and the deduction of Federal within-M.S.Q. levy and fluid skim-off levy.

ASSESSMENTS AND LEVIES

The deductions made for marketing costs are currently as follows:

1. Transportation - variable rate according to volume and distance.
2. Milk Pool Administration - 4.8 cents per HL.
3. Board Operation - 19.4 cents per HL (Manitoba Regulation 174/84).
4. Northern Equalization Levy - 2.74 cents per HL (Manitoba Regulation 85/82).
5. Dairy Promotion - 46 cents per HL (Manitoba Regulation 159/84).
6. Market Share Quota Administration - 3.9 cents per kg B.F. on farm separated cream deliveries. 14 cents per HL on industrial milk utilization. (M.R. 160/84)
7. Canadian Dairy Commission levies to dispose of surplus product:
   - Within quota levy - $5.14 per HL on industrial milk deliveries
   - Hold back from subsidy - 30.15 cents per HL on Class 1 volume. (Fluid skim-off levy)
   - Over quota levy - $34.38 per HL on all production over quota year-to-date.

FEDERAL DAIRY PRODUCT SUPPORT PRICES
($/cents per kilogram)

	Skim Milk Powder	Butter	Cheddar Cheese
January 1st 1980	1.97	3.26	1.32
April 1st 1980	2.01	3.34	1.32
August 1st 1980	2.13	3.51	1.32
January 1st 1981	2.20	3.63	1.32
April 1, 1981	2.28	3.78	1.32
August 1, 1981	2.37	3.95	1.32
January 1, 1982	2.46	4.13	1.32
April 1, 1982	2.50	4.17	1.32
August 1, 1982	2.59	4.33	1.32
January 1, 1983	2.61	4.38	1.32
April 1, 1983	2.65	4.42	1.32
August 1, 1983	2.72	4.55	1.32
January 1, 1984	2.74	4.60	1.32
April 1, 1984	2.79	4.71	1.32
August 1, 1984	2.85	4.784	1.32

FEDERAL SUBSIDIES PAYABLE ON
INDUSTRIAL MILK DELIVERIES WITHIN M.S.Q.
($/cents per unit)

	Milk HL	Butterfat KG
April 1, 1974	5.22	1.449
June 1, 1974	5.81	1.612
April 1, 1975	6.03	1.676
April 1, 1976	6.03	1.676
April 1, 1977	6.03	1.676
April 1, 1978	6.03	1.676
August 1, 1979	6.03	1.676
August 1, 1980	6.03	1.676
August 1, 1981	6.03	1.675
August 1, 1982	6.03	1.675
August 1, 1983	6.03	1.675
August 1, 1984	6.03	1.675

Manitoba Regulation 226/84

Being

ORDER 10/84 OF THE MANITOBA MILK PRODUCERS' MARKETING BOARD

Made Under The Natural Products Marketing Act and The Manitoba Milk Producers' Marketing Plan, Being Manitoba Regulation 185/84

(Filed October 18, 1984)

REGISTRATION AND LICENSING ORDER

Milk Producers

1. No person who keeps dairy cows shall engage in the marketing of the regulated product in Manitoba unless he is currently registered as a milk producer with this Board.

2. No person shall be entitled to be registered as a milk producer unless such person has been allotted, or is entitled to be allotted a total allowable production quota by this Board.

3. Every application for registration shall be in writing, in the form prescribed by this Board for such purpose, signed by the applicant, and shall be forwarded to the head office of this Board together with the requisite fee, if any, prescribed from time to time by resolution of this Board.

4. This Order is subject to the provisions of Section 29.(2) of the Plan which presently reads as follows:

"(2) This regulation does not apply to:

(a) milk which is used by the producer of that milk for consumption or to manufacture or produce products which are consumed by the producer and his immediate family or any one of them, and

(b) cream separated from milk on the farm on which the milk is produced and the cream is sold for manufacture into butter

(c) milk produced and processed by the University of Manitoba or Rockwood Institution.

Manufacturers and Processors

5. No manufacturer or processor of the regulated product shall engage in the marketing of the regulated product unless he holds a valid licence issued by this Board for each Milk Plant operated by him.

6. Every application for a licence as a manufacturer or processor of the regulated product shall be in writing, in the form prescribed by this Board stating the purpose for which the licence is required and the location of the Milk Plant of the applicant, signed by the applicant, and shall be forwarded to the head office of this Board together with the requisite fee prescribed by resolution of this Board.

7. Every applicant for a licence as a manufacturer or processor shall furnish to this Board at the time of making such application:

(a) proof of financial responsibility;

(b) a surety bond satisfactory to and as required by this Board; and

(c) such further and other materials as this Board may require.

8. This Board may issue a licence for any Milk Plant of a manufacturer or processor of the regulated product or may renew, vary, or cancel or re-issue any licence or may issue a licence upon prescribed terms and for prescribed periods of time.

Repeal

9. Sections 1 to 7 inclusive of Manitoba Regulation 246/74, being Order 1/74 of this Board, are repealed.

IN WITNESS WHEREOF the seal of the Board is hereon impressed, duly attested by the hands of its proper officers on that behalf this 18th day of October, 1984.

THE MANITOBA MILK PRODUCERS' MARKETING BOARD
Per:

"Arthur V. Rampton"
A.V. Rampton, Chairman

(S E A L)

"C.W. Vincent"
C.W. Vincent, Secretary

Printed by the Queen's Printer for the Province of Manitoba

Manitoba Regulation 185/84

Being a Regulation Respecting a Plan to Provide for the Control and Regulation of the Marketing of Milk in Manitoba Under The Natural Products Marketing Act

(Filed August 17, 1984)

Short Title

1. This Plan may be cited as "The Manitoba Milk Producers' Marketing Plan".

Definitions

2. In this Plan, unless the context otherwise requires:

(a) "Act" means The Natural Products Marketing Act;

(b) "consumer" means a person who receives or purchases, or offers to receive or purchase, milk or dairy products for his own use or for the use of his family or household, or any use other than resale or manufacturing or processing, directly or indirectly;

(c) "daily entitlement quota" means a base, expressed in litres of milk per day, allocated to a registered producer by the producer board for the purpose of calculating prices payable to the producer for regulated product delivered by him pursuant to a daily entitlement pricing policy established by the producer board;

(d) "dairy cows" means cows kept by a producer for the purpose of marketing milk from such cows;

(e) "dairy products" means milk, cream, condensed milk, dry milk, evaporated milk, sterile milk, milk powder, butter, cheese, ice cream, or any other food substance for human consumption made wholly or mainly from milk;

(f) "designated representative" means a person designated by a registered producer which is a corporation or a partnership to attend meetings and vote on behalf of the corporation or partnership;

(g) "distributor" means a person who distributes or sells, or offers to distribute or sell, milk or dairy products for consumption, manufacturing, processing, or resale;

(h) "facility" means any building, structure, equipment or land used in connection with the production of the regulated product;

(i) "Manitoba Council" means The Manitoba Natural Products Marketing Council;

(j) "manufacturer or processor" means any person engaged in the business of processing milk or dairy products or using milk or dairy products in manufacturing within the province;

(k) "manufacturing or processing" means changing the nature, size, quantity, form or condition of milk or dairy products by mechanical means or otherwise;

(l) "marketing" means selling, or offering for sale, processing, buying, purchasing or offering to buy or purchase and includes advertising, packing, storage, shipping, and transportation, within the province, but does not include packing and storage by a producer on his premises;

(m) "milk" means the normal lacteal secretion obtained from the mammary gland of a cow;

(n) "milk plant" includes a facility for receiving, storing, manufacturing, or processing milk or manufacturing, or processing dairy products;

(o) "Milk Prices Review Commission" means The Manitoba Milk Prices Review Commission constituted under The Milk Prices Review Act;

(p) "producer" means any person who keeps dairy cows for the purpose of producing milk within the province and includes the employer of any such person, a person who under any lease or agreement is entitled to a share of the milk produced by any such person, and a person who takes possession of any milk from any such person under form of security for a debt;

(q) "producer board" means The Manitoba Milk Producers' Marketing Board;

(r) "quota" means a daily entitlement quota, or a total allowable production quota, or all of the foregoing as the context may require;

(s) "total allowable production quota" means a base, expressed in litres of milk per day, allocated to a registered producer by the producer board, for the purpose of calculating monthly overproduction levies payable to the producer board by the producer;

(t) "transporter" means any person engaged in the gathering, haulage or transportation of milk or dairy products within the province;

(u) "registered producer" means a producer who is duly registered with or licensed by the producer board and whose certificate or licence is in good standing;

(v) "regulated product" means any variety, class, or grade of milk or dairy products produced within the province and any other substance produced within the province by manufacturing or processing that milk, alone or together with any other material or substance or by extraction from that milk of any substance or material.

Purpose

3. (1) The general purpose and intention of this Plan is to provide for the effective control, regulation and promotion in any and all respects, by the producer board, of the marketing of the regulated product within the province (subject to any order made by the Milk Prices Review Commission).

(2) The specific purposes of this Plan are:

(a) to obtain fair and equitable prices for the regulated product (subject to any order made by the Milk Prices Review Commission);

(b) to develop and maintain the orderly marketing of the regulated product;

(c) to provide a consistent high quality of the regulated product for the market;

(d) to maintain adequate advertising and promotion of the regulated product;

(e) to encourage a continuous supply of the regulated product; and

(f) to gather, compile and distribute statistical information related to the production and marketing of milk and dairy products.

Constitution of the Producer Board

4. The Manitoba Milk Producers' Marketing Board, continued by Manitoba Regulation 242/74, is hereby continued.

5. (1) The producer board shall continue to consist of nine members who shall at all times be registered producers or designated representatives of a registered producer and who shall be elected in accordance with the provisions of the Administration By-Law.

(2) A majority of the members of the producer board constitutes a quorum for the transaction of business of the producer board.

Orders and Regulations of Producer Board Continued

6. Until altered by an order or regulation made or issued under this Plan, every order or regulation made or issued under The Manitoba Milk Producers' Marketing Plan that was in force immediately before the coming into force of this Plan and subsisting on the day this Plan comes into force is continued and is valid in all respects as if the order or regulation has been made or issued under this Plan.

Administration By-Law of Producer Board Continued

7. (1) The Adminstration By-Law, being By-Law No. 1 of the producer board as approved by the producer board on the 7th day of August, 1975 in accordance with subsection 5 (1) of Manitoba Regulation 242/74 continues in force. The Administration By-Law may be repealed, re-enacted or amended to otherwise provide for the election of the members of the producer board, the establishment of districts, the method of holding meetings, the method of appointing designated representatives, the method of giving notice of meetings, and such other matters relating to the conduct of meetings and the democratic control of the producer board as appear necessary and convenient to the proper administration of the Plan.

(2) The Administration By-Law may be repealed, re-enacted, or amended by an affirmative vote of sixty per cent of those present and entitled to vote at an annual or special general meeting of registered producers, on a resolution, written notice of which has been mailed to each registered producer not less than seven days before the meeting, which notice contains a copy of the resolution setting forth the proposed repeal, re-enactment, or amendment, as the case may be, or a summary specifying the general nature thereof.

(3) The Administration By-Law may also be repealed, re-enacted, or amended at any duly called and constituted annual or special general meeting of the registered producers, without the giving of the notice required in subsection (2) upon the passing of a resolution to that effect by the affirmative vote of 95% of those present and entitled to vote at the meeting.

(4) Any resolution proposing the repeal, re-enactment, or amendment of the Administration By-Law is subject to the approval of the Manitoba Council; and shall not take effect until a copy of the resolution is filed with the Manitoba Council and approved by it.

Fiscal Year

8. The fiscal year of the producer board shall end on the last day of July in each year.

Audit

9. A qualified auditor to audit the books kept by the producer board, shall be appointed by resolution passed at an annual or general meeting of the registered producers and if an auditor is not so appointed, the producer board shall appoint an auditor.

Officers

10. (1) Members of the producer board shall meet forthwith following each annual meeting of registered producers, and shall elect a chairman and a vice-chairman from among their number; and they may appoint a secretary and a treasurer and such other officers as are deemed necessary; and such other officers so appointed need not be members of the producer board.

(2) The chairman, or in his absence or incapacity the vice-chairman, shall call and preside at all meetings of the producer board and at all special and annual meetings of the registered producers.

(3) The officers of the producer board shall carry out such duties as are assigned to them by the producer board.

Committee

11. The producer board may appoint such committees as are deemed necessary or desirable for the proper operation of this Plan and it shall appoint such committees for such purposes as may be requested by the Manitoba Council.

Remuneration

12. The chairman, officers and other members of the producer board or of any committee apointed by the producer board may be paid such remuneration as may be fixed by resolution of the producer board; which shall be paid as an expense out of the general revenue of the producer board, and shown in the annual report presented to the annual meeting of registered producers in each year; but any such resolution has no force or effect unless it is approved by the Manitoba Council.

Duties of the Producer Board

13. (1) Every rule, regulation and order made by the producer board under this Plan, the Act or the regulations, shall be signed by the proper officers under the seal of the producer board, shall be numbered in consecutive order, and shall be open for inspection by any registered producer at the head office of the producer board during regular business hours. Copies of such rules, regulations and orders shall also be maintained at the office of the Manitoba Council and shall be open for inspection at such office during regular business hours.

(2) All rules, regulations and orders made by the producer board shall be reviewed and consolidated annually by the producer board.

(3) The producer board shall cause such books and records to be maintained as may be required for the proper administration of this Plan; and those books and records shall be open for inspection by the Manitoba Council at any reasonable time.

(4) The producer board shall maintain a head office within Manitoba; and it shall make the location thereof known to those persons carrying on business with the producer board.

(5) The producer board shall hold an annual meeting of the registered producers each year within six months following the fiscal year end of the producer board; and it may hold such other special meetings as are deemed necessary or advisable.

(6) The producer board shall report to the annual meeting of the registered producers and to the Manitoba Council, in respect of the activities of the producer board; and the annual report shall contain a copy of the audited financial statements of the producer board for the last previous fiscal year.

(7) The producer board shall provide such other reports and information as may be required from time to time by the Manitoba Council.

General Powers of the Producer Board

14. In carrying out its duties and functions the producer board may

(a) open bank accounts in the name of the producer board and appoint signing officers;

(b) borrow money on its credit and give security for money borrowed;

(c) enter into agreements with registered producers and any other persons respecting the production and marketing of the regulated product; including the Canadian Dairy Commission respecting the participation by the producers of the province in any federal plan, or act as agent for the said Commission or any provincial or federal body concerned with the marketing of milk or dairy products;

(d) acquire and hold real and personal property in its name; mortgage any such property for the purpose of the producer board and sell or otherwise dispose of any such property when no longer required for the purposes of the producer board;

(e) purchase, lease, take in exchange, hire or otherwise acquire such personal property, including equipment for the gathering, hauling, transporting, grading and processing of the regulated product;

(f) purchase, store, process or sell the regulated product;

(g) advertise and promote the milk and dairy industry in such a manner as it may deem advisable, and compile, publish, distribute and furnish information with respect thereto;

(h) establish branch offices; and

(i) do all such other things as are necessary or incidental to the exercise of any of its powers or the carrying out of any of its functions under the Act or this Plan.

General Marketing Powers of the Producer Board

15. (1) The regulated product is under the jurisdiction of the producer board.

(2) The producer board has all of the powers and rights of a producer board as set out in the Act and the regulations made under the Act (subject to any order made by the Milk Prices Review Commission).

(3) The regulated product may be controlled, regulated, and marketed by the producer board.

(4) The producer board is vested with the power necessary to effectively achieve the objectives of the Plan and promote, control and regulate the marketing of the regulated product that is produced within the province and to prohibit such marketing in whole and in part.

(5) Subject to the Act, the producer board may do such acts and make such rules, orders and regulations as it deems necessary or advisable to enable it to administer this Plan effectively and to control and regulate the marketing of the regulated product.

Registration of Producers, Transporters and Processors

16. (1) The producer board may require producers, transporters, distributors, manufacturers, or processors of the regulated product to register with or obtain licences from the producer board on such conditions and in such form and for such fees as the producer board may determine, and may cancel, suspend and reinstate any such registration or licence.

(2) The producer board shall keep and maintain at its head office a register containing the names and addresses of each registered or licenced producer, transporter, distributor, manufacturer, or processor of the regulated product.

(3) The producer board may cancel or suspend the registration or licence of a producer, transporter, distributor, manufacturer, or processor who, in its opinion is not entitled to be registered or licenced or who fails to comply with the Act and regulations, or the rules, orders, or regulations of the producer board, or any terms or conditions of any registration or licence granted by the producer board.

(4) Written notice of intention to cancel or suspend the registration or licence of a producer, transporter, distributor, manufacturer or processor shall be served on him by the producer board, either in person or by registered mail, at least two weeks prior to the date of cancellation or suspension.

(5) Any producer, transporter, distributor, manufacturer, or processor who objects to the cancellation or suspension of his registration or licence by the producer board may notify the secretary thereof of his objections, and the grounds thereof; and if he is not satisfied he may refer the matter to the Manitoba Council, which may hear the producer, transporter, distributor, manufacturer, or processor or the producer board, or both of them. and may confirm the cancellation or suspension, or order the reinstatement of the registration or licence of the producer, transporter, distributor, manufacturer, or processor; and the decision of the Manitoba Council is final.

Fees, Levies and Charges

17. The producer board may make regulations imposing fees, levies and charges payable to it or on its behalf on producers of the regulated product, and providing for the collection as its agent of such fees, levies and charges and the remission thereof to it by any person engaged in the marketing of such regulated product.

Penalties

18. The producer board may make regulations controlling the quantity, quality, variety, class or grade of any regulated product that may be marketed by imposing penalties on producers.

Approval of Manitoba Council

19. No regulation made under sections 17 or 18 shall become effective until approved by the Manitoba Council.

Quotas

20. (1) The producer board may make orders and establish policies determining the manner in which quotas are allotted, reallotted, increased, decreased, cancelled or suspended.

(2) A quota allotted to a producer by the producer board is the property of the producer board, and no person shall transfer, assign, sell, offer for sale or receive payment for, offer to buy or make payment for quota.

(3) Where a quota has been issued in the name of an association, partnership, body corporate, trust, or other organization, the producer board may reduce or cancel the quota if there is a change in the legal or beneficial ownership of that association, partnership, body corporate, trust, or other such organization.

(4) The producer board may reduce or cancel a quota allotted to a producer who has entered into a contract or an agreement that would deprive him of the right to the proceeds from the marketing of his regulated product.

Approval of Manitoba Council

21. No order made under section 20 shall become effective until approved by the Manitoba Council.

Directed Marketings

22. The producer board may make orders determining the time and place at which, and the agency through which, a regulated product, or any variety, class or grade thereof shall be marketed by a producer thereof.

Pooling

23. (1) The producer board may conduct a pool for the distribution of all monies received from the sale of regulated product marketed by producers within the daily entitlement quotas allocated to such producers, and a pool for the distribution of all monies received from the sale of regulated product marketed by registered producers in excess of the daily entitlement quotas allocated to such producers.

(2) The producer board shall, after deducting all necessary and proper disbursements and expenses, and after making such allowances for reserves as may be approved by the Manitoba Council distribute the remainder of the moneys received from the sale of regulated product in a pool in such manner that each producer receives from the remainder of the moneys received from the sale a share thereof relative to the quantity, quality, variety, grade, or class of the regulated product delivered by him.

(3) The producer board may make an initial payment on delivery of the regulated product by a producer, and subsequent payments until all the remainder of the moneys received from the sale is distributed to the producer.

Information

24. The producer board may make orders requiring a producer of, or any person engaged in marketing, the regulated product, to report to it any information respecting the marketing of the regulated product.

Prices

25. The producer board may make orders fixing minimum prices, or maximum prices, or both maximum prices and minimum prices, or a price, at which the regulated product or any variety, class or grade thereof may be sold by any producer or may be purchased by any manufacturer or processor; provided however that any such orders shall be subject to any order made by the Milk Prices Review Commission.

Classification of Milk

26. The producer board may make orders classifying milk for the purpose of the sale and pricing of such milk to manufacturers and processors.

Certification of Facilities

27. The producer board may certify a registered producer's facility and in allotting a quota to that registered producer may make it a condition of such quota that the dairy cows kept by him for the purpose of milk production must be kept in such facility, or that the milk marketed by him must be produced on or in such facility.

Association

28. Where two or more persons keep dairy cows in partnership, or in circumstances in which there is a sharing by them whether familial, communal or otherwise, of facilities, equipment, labour or services provided directly or indirectly by all or any of them, or pursuant to a contract jointly or severally with the same corporation, firm or individual, for the purposes of this Plan and the regulations and orders made by the producer board, the dairy cows kept by one of those persons shall be deemed to have been kept by the other or others.

Exemptions

29. (1) The producer board may exempt from any rule, order or regulation any person engaged in the production or marketing of the regulated product or any class, variety or grade thereof or any class of producers or purchasers of a regulated product.

(2) This regulation does not apply to:

(a) milk which is used by the producer of that milk for consumption or to manufacture or produce products which are consumed by that producer and his immediate family or any one of them; and

(b) cream separated from milk on the farm on which the milk is produced and the cream is sold for manufacture into butter; and

(c) milk produced and processed by the University of Manitoba or the Rockwood Institution.

30 Manitoba Regulation 72/74, and Manitoba Regulation 242/74 as amended by Manitoba Regulations 311/74, 47/76, 205/78, 140/80 are repealed.

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Manitoba Regulation 174/84

Being Regulation 3/84 of The Manitoba Milk Producers' Marketing Board to amend Manitoba Regulation 247/74 Made Under The Manitoba Milk Producers' Marketing Plan and The Natural Products Marketing Act

(Filed August 7, 1984)

GENERAL FEES

1. Section 1 of Manitoba Regulation 247/74 as amended by Manitoba Regulation 257/80 is repealed and the following section substituted therefor:

   1. A fee is imposed on each producer of 19.4 cents for each 100 litres of milk produced by him.

2. This regulation shall come into force on the 1st day of August, 1984 or on the day it is filed with the Registrar of Regulations, whichever is the later.

IN WITNESS WHEREOF the Seal of The Manitoba Milk Producers' Marketing Board is hereon impressed, duly attested by the hands of its proper officers in that behalf on the 12th day of July, 1984.

THE MANITOBA MILK PRODUCERS' MARKETING BOARD
Per:

"Arthur V. Rampton"
Chairman

(S E A L)

"C.W. Vincent"
Secretary

Approved by The Manitoba Natural Products Marketing Council this 1st day of August, 1984.

THE MANITOBA NATURAL PRODUCTS MARKETING COUNCIL
Per:

"A.W. Wood"
Chairman

(S E A L)

"Robert Kapilik"
Secretary

Printed by the Queen's Printer for the Province of Manitoba

Manitoba Regulation 160/84

Being Manitoba Regulation 2/84 of The Manitoba Milk Producers' Marketing Board Made Under The Manitoba Plan for Milk Market Sharing Being Manitoba Regulation 241/74 and The Natural Products Marketing Act

(Filed July 11, 1984)

SERVICE CHARGES — INDUSTRIAL MILK

1. A service charge is imposed on each producer of industrial milk of 3.9 cents per kilogram of butterfat in respect of all industrial milk sold and delivered by him to a processor in the form of cream.

2. A service charge is imposed on each producer of industrial milk of 14 cents per hectolitre in respect of all industrial milk sold or delivered by him to this Board in any form other than in the form of cream.

3. The service charges imposed by this regulation shall be due and payable by the producer to this Board at the time and place of marketing of the industrial milk by the producer. In the case of sales of industrial milk to this Board by the producer the service charges may be deducted as a first charge against the money which this Board receives from the sales of such industrial milk. In the case of sales of industrial milk to a processor by the producer, each processor, before making payment to the producer, shall deduct from the total amount payable to such producer the service charges levied by this regulation and shall forthwith pay any amounts so deducted to this Board not later than the 15th of the month following the month in which the deductions are made.

4. Manitoba Regulation 186/79 is repealed.

5. This regulation shall come into force on the first day of August, 1984 or on the day it is filed with the Registrar of Regulations, whichever is the later.

IN WITNESS WHEREOF the Seal of The Manitoba Milk Producers' Marketing Board is hereon impressed, duly attested by the hands of its proper officers in that behalf on the 7th day of June, 1984.

THE MANITOBA MILK PRODUCERS' MARKETING BOARD
Per:

"Arthur V. Rampton"
Chairman

(S E A L)

"C.W. Vincent"
Secretary

Approved by The Manitoba Natural Products Marketing Council this 9th day of July, 1984.

THE MANITOBA NATURAL PRODUCTS MARKETING COUNCIL
Per:

"A. W. Wood"
Chairman

(S E A L)

"Robert Kapilik"
Secretary

Printed by the Queen's Printer for the Province of Manitoba

Manitoba Regulation 159/84

Being Regulation 1/84 of The Manitoba Milk Producers' Marketing Board Made Under The Manitoba Milk Producers' Marketing Plan Being Manitoba Regulation 242/74 (Herein Called the "Plan") and The Natural Products Marketing Act

(Filed July 11, 1984)

DAIRY PROMOTION FEES REGULATION AMENDMENT

1. Section 1 of Manitoba Regulation 90/75 as amended by Manitoba Regulation 12/83 is hereby repealed and the following section substituted therefor:

"1. (1) A fee is imposed on each producer of 46 cents for each hectolitre of milk produced by him."

2. This regulation shall come into force on the first day of June, 1984 or on the day it is filed with the Registrar of Regulations, whichever is the later.

IN WITNESS WHEREOF the Seal of The Manitoba Milk Producers' Marketing Board is hereon impressed, duly attested by the hands of its proper officers in that behalf on the 26th day of April, 1984.

THE MANITOBA MILK PRODUCERS' MARKETING BOARD
Per:

"Arthur V. Rampton"
Chairman

(S E A L)

"Russell W. Scott"
Secretary

Approved by The Manitoba Natural Products Marketing Council this 9th day of July, 1984.

THE MANITOBA NATURAL PRODUCTS MARKETING COUNCIL
Per:

"A. W. Wood"
Chairman

(S E A L)

"Robert Kapilik"
Secretary

Printed by the Queen's Printer for the Province of Manitoba

Manitoba Regulation 139/84

Being

ORDER 9/84 OF THE MANITOBA MILK PRODUCERS' MARKETING BOARD

Made Under The Manitoba Milk Producers' Marketing Plan, Being Manitoba Regulation 242/74 of The Natural Products Marketing Act

(Filed June 21, 1984)

MILK CLASSIFICATION ORDER

1. In this Order the compositional standards of dairy products as set out in the Regulations made under The Dairy Act shall apply to the provisions of this Order.

2. The Board hereby classifies milk sold to manufacturers and processors into the following classes:

(a) "Class I Milk" means:

(i) the amount of milk in litres that is equal to the volume of sales in litres by a processor of the following milk products: standard milk, partly skimmed-milk, special milk, U.H.T. milk, sterilized milk, buttermilk, and skim-milk (except buttermilk and skim-milk processed for the purpose of bulk sale and not for resale as Class I Milk); and

(ii) the amount of milk in litres that is equal to 90 per cent of the volume of sales in litres by a processor of the following milk products: flavoured milk and flavoured dairy drink (including chocolate); and

(iii) shrinkage in excess of 2% of the amount of milk in litres that a processor of the type of mik products set out in clauses (i) and (ii) above buys from the Board.

(b) "Class II Milk" means:

(i) the amount of milk in litres that is equal to the volume of sales in litres by a manufacturer of the following milk products: cereal cream, table cream, whipping cream, sour (salad) cream, dairy dips, buttermilk and skim-milk manufactured for the purpose of bulk sale and not for resale as Class I Milk, and bulk sales of milk, partly skimmed-milk, skim-milk and cream to be used in a milk product or any other product not referred to herein and manufactured by a plant; and

(ii) shrinkage not in excess of 2% of the amount of milk in litres that a processor of the type of mik products set out in clauses 2(a)(i) and (ii) buys from the Board.

(c) "Class IIA Milk" means:
the amount of milk, partly skimmed-milk, skim-milk and cream in litres that is used by a manufacturer in the manufacturing by a plant of: cottage cheese, cream cheese spread, yogurt, eggnog.

(d) "Class IIB Milk" means:
the amount of milk, partly skimmed-milk, skim-milk and cream in litres that is used by a manufacturer in the manufacturing by a plant of: ice cream mix, ice milk mix, milk shake mix, sherbet mix.

(e) "Class III Milk" means:
the amount of milk, partly skimmed-milk, skim-milk and cream in litres that is used by a manufacturer in the manufacturing by a plant of: cheddar cheese, and stirred curd cheese.

(f) "Class IIIA Milk" means:
the amount of milk, partly skimmed-milk, skim-milk and cream in litres that is used by a manufacturer in the manufacturing by a plant of: mozzarella cheese.

(g) "Class IV Milk" means:
the amount of milk, partly skimmed-milk, skim-milk and cream in litres that is used by a manufacturer in the manufacturing by a plant of: all cheese other than those specified in other classifications.

(h) "Class V Milk" means:
the amount of milk, partly skimmed-milk, skim-milk and cream in litres that is used by a manufacturer in the manufacturing by a plant of:

(i) soup, butter, skim-milk powder, and

(ii) milk, partly skimmed-milk, skim-milk, and cream that is manufactured for use in production as a concentrated liquid chocolate milk, concentrated liquid milk, concentrated liquid partly skimmed-milk, or concentrated liquid skim-milk, but not for resale as Class I Milk.

(i) "Class VI Milk" means:
the amount of milk, partly skimmed-milk, skim-milk and cream in litres that is used by a manufacturer in the manufacturing by a plant of: new products as determined by the Board.

(j) "Class VII Milk" means:
the amount of milk in litres that is equal to the inventory of milk, partly skimmed-milk, skim-milk, cream and milk products of a processor.

3. Order 4/78 of the Board being Manitoba Regulation 46/78 as amended by Order 8/84 being Manitoba Regulation 123/84 is hereby repealed.

4. This Order comes into force on the 1st day of July 1984 or on the day it is filed with the Registrar of Regulations, whichever is the later.

THE MANITOBA MILK PRODUCERS' MARKETING BOARD
Per:

"Arthur V. Ramptom"
A.V. Rampton, Chairman

(S E A L)

"Clarence W. Vincent
C.W. Vincent, Secretary

Printed by the Queen's Printer for the Province of Manitoba

MANITOBA MILK POOL RESULTS

AUGUST 1983 TO JULY 1984

Total Manitoba Production	261 502 036 L
Shipments from O.M.M.B	755 612 L
Total Pool	262 257 648 L

	Litres each Class	Value per HL	Net Pool Revenue
Class 1	103 701 616	$48.37	
Class 2	5 481 755	40.70	
Class 2A	10 749 521	40.18	
Class 2B	6 424 822	40.09	
Class 3	67 438 364	36.39	
Class 3A	1 879 477	37.06	
Class 4	4 831 914	37.09	
Class 5	40 621 936	36.93	
Class 6	167 685	36.78	
Class 7	1 469 917	37.06	
Unsaleable	78 177	36.45	
PRODUCTION IN/DE	242 845 184	$41.98	
Less Diversion Costs		.03	
Pool Administration		.05	
PRICE/HL IN/DE		$41.91	$101 770 176.09
INSTITUTIONAL CLASS 3	112 955	$36.63	$ 41 374.25
PRODUCTION OVER/DE CLASS 3	6 325 790	$36.51	$ 2 309 250.55
PRODUCTION OVER/TAP CLASS 3	12 060 176	$36.43	$ 4 393 494.91
Saskatchewan Class 5	43 701	$33.51	$ 14 644.78
Quebec Class 5	114 230	$23.85	$ 27 240.89
	12 218 107	$36.30	$ 4 435 380.58
O.M.M.B.	755 612	$36.47	$ 275 579.33
TOTAL POOL	262 257 648	$41.50	$108 831 760.80
TOTAL POOL 1982/83	258 858 120	$39.46	$102 142 234.20

FLUID AND INDUSTRIAL UTILIZATION SUMMARY

Manitoba Production within TAP		249 283 929 L	100.0000%
Less Litres ineligible for Subsidy:			
Used for CL.1(Fluid-41.5993%)	103 701 616 L		
Plus 5.2% for creams	5 392 483 L	109 094 099 L	43.7630%
Balance for Manufactured Products		140 189 830 L	56.2370%
Manitoba Production Over/TAP		12 218 107 L	

Average Butterfat content 3.64796 kg/HL in Manitoba Production.

MILK QUALITY

Milk shipments continue to show improvement over the first year of the Milk Quality Levies program. However, for the second consecutive year, evaluation of the results at July 31, 1984 shows an increase in the number of producers with infractions compared to the previous twelve months.

	Number of Producers			
Frequency of Infractions	1980-81	1981-82	1982-83	1983-84
1	272	232	233	233
2	79	66	64	68
3	31	18	23	23
4	10	7	7	14
5	6	2	5	6
6	3	-	-	1
7	2	-	1	-
8	-	-	-	1
	403	325	333	346

The total infractions increased while the number of producers shipping milk decreased. Increases occurred only among those shippers with more than one infraction. Over 71% of the producers were free of any type of quality problem.

COMPARISON OF CLASS 1 SALES
FOR 12 MONTH PERIOD - AUGUST 1 1983 - JULY 31 1984
(IN MILLIONS)

	Total Current Period HL	Total Previous Period HL	Percentage Change
1983			
August	8.55	8.18	+4.52
September	9.08	8.76	+3.65
October	8.91	8.99	-0.85
November	8.71	8.83	-1.36
December	8.91	8.99	-0.85
1984			
January	8.87	8.48	+4.59
February	8.32	8.06	+3.20
March	9.04	9.42	-4.08
April	8.36	8.03	+4.17
May	8.78	8.53	+2.90
June	8.32	8.58	-3.00
July	7.96	7.79	+2.24
	103.70	102.34	+1.33

COMPUTER OPERATIONS

In September 1983, the Board took delivery of the NCR 9020-4 computer which was selected to replace the NCR 8200 in the Board offices. During the year under review, terminals in the staff offices have been extensively used when replying to producer queries. There are screen displays available to respond to milk and cream producer enquiries at any time which give full details of production, TAP/quota, cheque payment information, etc. Details of butterfat tests, penalty infractions are also available on demand. The School Milk department reporting system has been incorporated during the year and there is a screen display available for this department. The word processing has been introduced and was used to write the majority of this year's Annual Report. The facility to change drafts of the wording without re-typing has been extremely helpful. Work is in progress with the accounting department to have sections of their work on screen display rather than numerous printed reports.

PLANT AUDIT PROGRAM

The program of record vertification from all processing plants continued for the year under review. The average of three visits a year for each operation was maintained and audit records updated on each visit.

Additional milk classifications were introduced by the Board effective July 1, 1984. This gives a total of ten milk classifications. Class 3A represents milk used in the manufacture of low and full-fat Mozzarella cheese. This type of cheese was previously part of the Class 3 milk classification (Cheddar, Stirred Curd, etc.). Class 7 covers month-end inventories at fluid plants (included before in Class 2 milk volume), and industrial operations (shown before as part of Class 5 milk utilization). Revised report forms to include these changes were requested from Statistics Canada and hopefully will be in use at the beginning of January, 1985.

Milk and butterfat accountability and audit results are discussed regularly with each processing plant at the conclusion of each audit. This communication with individual processing plants has been developed over the years. The resulting working relationship and trust is highly regarded and very much appreciated by the Board staff.

The procedures, standards and tests used by the audit department are duly examined by the Board's auditors and have been found to be in accordance with generally accepted accounting techniques.

TRANSPORTATION

The Board has been involved in several areas of activity in the transportation sector throughout the past year. The transportation department were engaged in specific projects as well as the general day-to-day direction of milk supplies and proper recording of milk movement. Some projects were the updating of producer locations and distances, two route rationalizations, the updating of transporter rate formula cost components, and out of province shipments of raw milk.

The updating of producer locations began with a survey of all producers and evolved into a very time consuming process of verification. Although this was a detailed exercise, it was necessary in order for producers' distance charges to be assessed correctly, fairly, and as equitably as possible.

Another of the major highlights were the two transporter route rationalizations which were accomplished during the past year. The first one involved three transporters and thirty producers in the Brandon-Souris area and became effective on February 1, 1984. This major rationalization was calculated to save the Board approximately $21,000 per year in transportation costs. The second rationalization involved seven transporters in an area from Gimli to Steinbach and a total of thirty-two producers were exchanged between transporters. These re-assignments became effective June 1, 1984 and are estimated to save the Board approximately $12,000 per year.

Rationalization of transporter routes is an effective method of cost-saving which will continue to receive a high priority. Since the Board's active involvement in rationalization in 1975, the total estimated savings have accrued to approximately $92,000 per year.

When it is noted that a portion of these savings were calculated from six to nine years ago, the present benefits are even more significant. These savings in expenditure were all accomplished by Board instituted re-assignments of producers and/or routes, for the benefit of all producers and generally with very good transporter co-operation.

With savings such as the ones above, and some improved efficiencies in other areas, it has been unnecessary for the Board to increase producer freight rates since January 1983; even though increases in the costs of transporting milk have occurred throughout the same period.

The bulk milk transporters presented the Board with updated cost factors for the transporter rate formula and a request for increased compensation. The factors they presented were evaluated by the consultant retained by the Board who also developed his own recommendations. The Board studied both sets of data in detail and, as a result, allowed an increase to transporters effective June 1, 1984 which amounted to approximately 5.5%. As well, transporters' fuel allowances were increased automatically on January 1, 1984 for an increase of 0.4%.

Once again, this year, Manitoba's milk production in the peak season was slightly more than the industrial processors in the province could handle. Nearby facilities in adjoining provinces were unable to handle the product available so movement of milk to a plant in Quebec was necessary. This time all of the product moving out of province was done using only Manitoba bulk milk transporters' equipment. Although this was less costly than using other transportation companies, the efforts required to accomplish it proved quite involved. This type of movement was entered into only in order to generate a greater revenue for the product than could have been obtained if the movement had not been undertaken.

We extend our appreciation to Manitoba's bulk milk transporters and drivers for their past co-operation and we look forward to them continuing to function in a responsible and efficient manner in the future.

MANITOBA MILK PRODUCTION, AUGUST 1 1983 - JULY 31 1984
(WITH PREVIOUS YEAR'S FIGURES FOR COMPARISON)
(IN MILLIONS OF LITRES)

	Total Volume	Total Previous Year	Percent Change
1983			
August	21.11	21.87	-3.48
September	20.63	20.57	+0.31
October	20.95	20.72	+1.12
November	20.44	19.92	+2.63
December	21.82	21.23	+2.79
1984			
January	22.52	21.84	+3.09
February	21.32	20.14	+5.86
March	22.98	22.68	+1.31
April	22.33	22.21	+0.57
May	23.01	22.85	+0.69
June	22.44	22.58	-0.61
July	21.95	21.57	+1.72
	261.50	258.18	+1.29

MILK PRODUCTION

Adverse weather conditions in August, 1983 resulted in decreased milk production at that time. There was a minor decrease in June as well. The balance of the dairy year had increased production each month and the final result for the year was a record high milk production for Manitoba. More detail is available under "Review of Milk Markets".

CREAM PRODUCTION

The Market Share Quota (MSQ) issued to cream producers to commence the dairy year on August 1, 1984 was equal to their 1983-1984 production plus 10 per cent. Cream producers, since October 31, 1983, have been on a "fixed" quota system and no new producers were allowed to commence cream production from November, 1983 until September 1, 1984.

For the dairy year ending July 31, 1984, 2160 registered cream producers shipped 1 206 769 kg of butterfat to a total of 17 Manitoba creameries. One creamery ceased operations during August, 1984.

On September 13, 1984 a Cream Advisory Committee was put in place to enable cream producers to have input into M.M.P.M.B. decisions regarding allocations of cream quota, quota policies, etc. The Cream Advisory Committee, at present, is made up of three cream producers, two milk producers, and one creamery operator. Each cream producer represents one of three regions (West, Interlake, South) which were determined by location of creameries.

A cream MSQ transfer policy was put in place effective September 14, 1984. Transfer documents for this purpose are available from the Board offices.

The Board's cream conversion policy, as announced August 1, 1983, remains in place, however, applicants will be limited by the amount of MSQ equal to 5% of the MSQ on milk transfer assessment plus 5% of any new milk quota from Ottawa.

	Current year kg butterfat	Previous year kg butterfat	Percentage + or -
1983			
August	125 950	122 680	+ 2.67
Sept	107 693	105 746	+ 1.84
October	83 290	81 688	+ 1.96
November	73 874	67 654	+ 9.19
December	71 923	65 857	+ 9.21
1984			
January	73 003	66 899	+ 9.12
February	78 953	76 674	+ 2.97
March	93 939	110 331	-14.86
April	102 459	107 081	- 4.32
May	125 035	128 447	- 2.66
June	137 170	148 967	- 7.92
July	133 480	134 308	- 0.62
	1 206 769	1 216 332	- 0.79

MARKET SHARE QUOTA - MANITOBA

Initially, Manitoba's share of M.S.Q allowed for the 1983/84 dairy year commencing August 1, 1983 was 6 693 000 kg of butterfat, sum of which was arrived at as follows: Canadian requirements including 1/3 special export 6 360 000 kg; 2/3 special export 206 000 kg; 2% sleeve 127 000 kg. In that levy costs for any production into the 2% sleeve were $28.54 per HL, Manitoba chose to ignore the sleeve in its entirety in respect to quota estimates. It was estimated therefore that Manitoba's total allowable production which includes milk for both industrial and fluid purposes for the 1983-84 dairy year would be 254 225 347 litres of milk which was an increase of 3 063 960 litres over T.A.P. of the previous dairy year. At year-end (July 31, 1984) requirements necessitated utilization of some over-quota milk bringing the total allowable production up to 259 531 788 litres.

For the new dairy year commencing August 1, 1984, estimates were made as follows:-

Total M.S.Q. - Manitoba	6 693 000 kg BF
Reduce to 97.6% allowing Manitoba to keep in-quota levy at $5.14	
Total M.S.Q. Manitoba (useable)	6 532 000 kg BF
Reserved for cream production	1 172 000
Remaining for industrial milk production	5 360 000 kg BF

5 360 000 kg of butterfat with an estimated butterfat test of 3.65 kg per HL of milk, will allow Manitoba to produce 146 849 315 litres of industrial milk; add estimated fluid sales of 110 000 000 (1% increase over last year; adjusted for production days) for a total allowable production in Manitoba of 256 849 315 litres of milk. This is an increase of 2 623 968 litres of T.A.P. over the allocation at August 1983.

BREAKDOWN OF SALES AND MANUFACTURE OF DAIRY PRODUCTS
WITHIN FLUID PLANTS DURING THE PERIOD
AUGUST 1982 TO JULY 1984

SALES	1982 - 1983		1983 - 1984	
Class I	Litres in 000's	%	Litres in 000's	%
- Homogenized & Special	34 663	33.97	33 593	32.50
- Partly Skimmed	58 003	56.85	59 484	57.56
- Skim	5 605	5.49	6 263	6.06
- Buttermilk	921	0.90	914	0.88
- Chocolate (90%)	2 835	2.79	3 095	3.00
Total Class I	102 023	100.00	103 349	100.00
Class II				
- Cereal & 18% Cream	2 464	50.73	2 524	50.17
- Whipping	736	15.14	837	16.63
- Salad/Sour	1 658	34.13	1 670	33.20
Total Class II	4 858	100.00	5 031	100.00

MANUFACTURE	1982 - 1983	1983 - 1984
Class IIA	Litres in 000's	Litres in 000's
- Cottage Cheese, including Dressing & Starter, Spread Cheese	9 323	9 153
- Yogurt	1 390	1 427
- Egg Nog	460	495
Class IIB		
- Ice Cream, Ice Milk, Milkshake & Sherbet Mixes	6 330	6 255

NATIONAL DAIRY POLICY

Agriculture Minister Ralph Ferguson on July 27, 1984 announced the major elements of the Government of Canada's National Dairy Program for the 1984-85 dairy year which commences August 1, 1984. Highlights of the 1984-85 Dairy Policy are as follows:

Effective August 1, 1984, the Target Returns level for industrial milk and cream production is $44.65 per hectolitre, an increase of 1.9 percent over the current price of $43.83 per hectolitre for milk for Canadian requirements. The Canadian Dairy Commission has been authorized to increase federal support prices for butter to $4.784 per kilogram, an increase of 7.4 cents per kilogram (1.6 percent), and skim milk powder to $2.85 per kilogram, an increase of 6 cents per kilogram (2.1 percent), also effective August 1, 1984.

The rate of federal subsidy will continue to be $6.03 per hectolitre on Canadian requirements. It was empnasized that subsidy is payable only to producers in provinces which are participating in the National Milk Marketing Plan. As a result, the Minister again urged provinces to work together in a responsible manner to ensure the full participation of all provinces in the national plan.

The National Market Sharing Quota (MSQ), will be 47.6 million hectolitres on August 1, 1984, unchanged from August 1, 1983. This MSQ includes 2.2 million hectolitres of quota for the special export program. Each province has an option of not accepting up to two-thirds of its allocated quota under this special program.

There will not be a uniform levy system this year. This is in response to the wishes of provinces and producer representatives at a recent meeting of the Canadian Milk Supply Management Committee. At that meeting, provinces elected to meet their responsibility for funding the 1983-84 deficit and marketing costs in 1984-85 in a manner best suited to each province. The in-quota levy is expected to range between $5.14 and $6.14 per hectolitre, depending on the measures taken by individual provinces. Manitoba elected to remain at $5.14 per hectolitre. This was possible by only allocating 97.6% of the allowable MSQ to the province. No quota cuts were required as 97.6% of this year's provincial allotment is approximately the same as last year's provincial allotment.

The over-quota levy is set at $34.38 per hectolitre on milk at 3.6 kilograms of butterfat and $4.00 per kilogram of butterfat on cream.

The level of MSQ and levies will be reviewed as the dairy year progresses. Adjustments will be made should circumstances warrant.

For the next three years, the Canadian Dairy Commission will fund a market development program for skim milk powder in Canada to be developed in co-operation with the Dairy Bureau of Canada. The objective is to increase domestic use of skim milk powder to minimize export costs and to reduce the in-quota levy paid by producers. The government is asking for the full co-operation of producers and processors to ensure the success of this program.

REVIEW OF MILK MARKETS

Manitoba milk production reached a record high during the 1983-84 dairy year. An increase of 3 326 000 L was experienced over the previous year which had shown a decrease for the first time since the advent of pooling in 1974. All plants were in operation throughout the year with deliveries to fluid plants higher by 810 000 L. Industrial plant receipts increased by 2 838 000 L, giving them the highest volume so far for any dairy year. Out-of-province shipments were less than 158 000 L, the lowest for several years.

Improved planning by producers has no doubt had an impact on levels of production from month-to-month. For a number of years emphasis has been placed on reducing production during the historically high summer months and increasing shipments during the September - February period. 3 271 000 L of the production increase was received during this latter period (including 735 000 L from the extra day in February). This production was welcomed by the plants who have capacity at that time of year to handle the milk, and by the truckers who have hauling equipment which would otherwise be partially utilized. Producers who shipped well during this period established Daily Entitlement (D.E.) at a high level and assured themselves of the top price for a high percentage of their production throughout the year.

Production within quota increased by 6 081 000 L while over-quota production reduced 2 755 000 L. An over-quota levy deduction at $31.79 HL, and prospects of very little refund at year end, have had the desired effect of eliminating large quantities of surplus product coming on the market to create disposal problems on the finished product manufactured from in-quota production. At the same time, the level of production improved during the September to February period to the extent there was a difference of only 6 127 000 L in the lower winter months compared to the higher production period - March to August. A year earlier this difference between the high and low periods of the year was 9 343 000 L.

Markets for dairy products were generally good over the dairy year. Class 1 sales showed a 1 364 000 L increase over the previous twelve months which had shown a decrease. Cream sales (Class 2) improved by 173 000 L, showing increases in all lines. The volume of milk used for cottage cheese and creamed cheese spread however, decreased by 170 000 L although volume required for yogurt and egg nog manufacture increased by 72 000 L, for a net loss of 98 000 L in Class 2A.

Ice cream mixes (Class 2B) showed a decrease in milk usage by 76 000 L. Manitoba's mix volume so far this calendar year shows a decline of 1.56% compared to a Canadian decrease of 2.62%. The improvement in fluid cream sales is the most significant change in the Class 2's.

With fluid milk and cream sales utilizing almost 42% of Manitoba milk production, approximately 58% is used in the manufacture of numerous dairy products. By far the largest portion of this "industrial" milk is used in cheese, skim milk powder, and butter production. The availability of Canadian market for these items is the governing factor for the volume of milk which can be handled by the plants in this province. The Canadian Dairy Commission calculates an increase of 2.84% in the consumption of dairy products from industrial milk for the dairy year just completed.

Market Information Service - Agriculture Canada has published the following changes when comparing the 1983-84 dairy year to 1982-83:

	Butter	Cheddar Cheese	Specialty Cheese	Skim Milk Powder
Production Change	-4.0	+5.1	+6.0	-11.4
(Million kg)	-3.6%	+5.3%	+7.4%	- 8.2%
Inventory Change	+0.7	+0.4	+0.9	- 5.7
(Million kg)	+2.3%	+1.1%	+8.0%	-13.6%
Disappearance Change	-3.3	+5.6	+5.1	+30.5
(Million kg)	-3.0%	+6.1%	+5.0%	+94.6%

Butter stocks are at an acceptable level and, while disappearance reduced by a small amount, production had also decreased. Cheddar cheese production was up and increased sales were also experienced. Inventory remained much the same resulting in a generally good year in the cheddar cheese sector.

Very similar results were enjoyed by the specialty (variety) cheese processors. Sales continued to increase without apparently effecting the cheddar cheese market. Variety cheeses represented 46.3% of total cheese production during the last year compared to 45.8% in the previous year.

Skim milk powder continues to be a surplus item after all other dairy product requirements have been satisfied. However, 1983-84 production was reduced, stocks are lower and disappearance was much higher. Markets are established for estimated surpluses for several months into the 1984-85 dairy year. World powder prices are low compared to Canada's domestic support price, requiring an ever-increasing in-quota levy rate to make up the difference.

Production in excess of requirements (over-quota) means the products derived from this milk must be offered on the world market. The high cost of financing inventory, storage costs, and low revenue from the sale requires a very high over-quota levy to make up the difference. Once the levy is applied against the excess milk production, there is too little revenue to pay the cost of producing it.

The Canadian Dairy Commission's cost of production formula resulted in the following changes to the "target" value for industrial milk ($42.80 HL August 1, 1983):

January 1, 1984	+38 cents HL to $43.18 HL
April 1, 1984	+65 cents HL to $43.83 HL
August 1, 1984	+82 cents HL to $44.65 HL

Support prices on powder and butter were increased on the above dates resulting in a higher market price for the products manufactured within Classes 2 - 6. An increased charge to the processors for milk used in these products provided additional revenue to the pool and a higher payout to producers.

FLUID MILK ADVERTISING AND PROMOTION

Advertising and promotion of fluid milk in Manitoba, depends first and foremost on a strong image campaign through television commercials. Presently we have purchased the "Irreplaceable" commercials from the Ontario Milk Marketing Board because they are the most appropriate for our market and because they would be too expensive for us to produce on our own. We benefit again by making the purchase of media time through the Dairy Bureau of Canada when they buy the industrial commercial time.

To replace the television image campaign during the summer hiatus, a radio and billboard image campaign "Good Stuff Beautiful Milk" was developed for both city and rural markets.

In order to assess the effectiveness of our summer campaign and the appropriateness of the new "Irreplaceable" television, we conducted some research in Winnipeg. Three hundred samples were interviewed by telephone to identify the effects of the summer program. Analysis of the television commercials was done by a qualitative method using three focus groups.

To highlight calcium and its lifelong nutritional requirements, a radio campaign for females 25 - 55 years and a newspaper campaign in both provincial dailies and weeklies are being designed.

A one-day amateur sports seminar, sponsored by the Dairy Bureau of Canada and the milk producers of Manitoba, is being proposed for the seventy-two amateur sports and 107 high school athletic programs in Manitoba for their team members, individual elite athletes, coaches, development directors, parents and the sports media. This special sports project reaching several hundred thousand young people provides a natural teaming of health and fitness. Gaetan Boucher will be featured at the luncheon and press reception while sports psychology and nutrition are the two major areas to be presented.

For the summer of 1985, we are planning a fluid milk food services campaign with staff employed in a public relations/marketing role to visit restaurants and institutions. Table tents and posters will be provided free of charge to the restaurants along with current marketing information and food service recipes.

Several annual promotions are planned with participating marketing boards and producer associations, co-ordinated by the Department of Agriculture, Marketing Branch. In 1984, these events included the six-day Royal Winter Fair and several three-day mall promotions in Dauphin, Steinbach, Polo Park, St. Vital and Kildonan Place.

FLUID MILK ADVERTISING AND PROMOTION continued

The CKND television cooking segment has been changed from the early time of 8:30 a.m. on "Manitoba Morning" to 11:30 a.m. on "Magazine", Wednesdays. Recipes promote milk and milk products with opportunities for the discussions of health issues related to dairy foods. Periodically, cooking segments are arranged with CKY T.V.'s "Today's World". The Board receives 300-400 requests for recipes each month.

We participated in Centrex '84 in October, the hotel and restaurant suppliers' show. This year our booth was "Good Stuff Beautiful Milk" complete with radio jingle, free milk and literature. The results of last year's consumer survey regarding milk in restaurants was distributed.

The 1985 Calendar developed by the Ontario Milk Marketing Board was purchased by our Board and distributed through the Winnipeg Free Press to over 260 000 subscribers on December 1.

Radio tapes are prepared monthly through the government communications branch. Home economists from marketing boards and producer associations develop topics related to their commodity.

Besides our own distribution of printed recipes, booklets have been purchased from other marketing boards for use as mailers to television cooking segments and for distribution at fairs and mall promotions. Promotional items are distributed in various ways throughout the year to many community groups.

NUTRITION EDUCATION

The past year has been busy and interesting for the nutrition education department. Our three programs: "Good Beginnings" (nutrition information and food activities for pre-school educators); "Big Ideas in Nutrition Education" (in-service programs for teachers of grades K-6); and "Energetics" (nutrition activity and weight management program for junior and senior high school teachers) were presented in over 90 workshops throughout Manitoba this year. Sessions were attended by approximately 1,600 teachers, with a potential to reach over 30,000 students with sound nutrition information. Because "Milk and Milk Products" is one of the four food groups in "Canada's Food Guide", our balanced nutrition program highlights and encourages the consumption of Dairy Products.

In addition to those presently teaching, during the 1983-84 year we inserviced all graduating students in the Faculties of Physical Education and Education, in the Universities of Brandon and Manitoba; and those completing the teaching program in the Faculty of Human Ecology (formerly Home Economics). "Energetics" was once again presented to the Dietetic Interns at the Health Sciences Centre and the Misericordia Hospital, and we were included in the nutrition education for Dental Hygienists at the University of Manitoba.

During the year we were invited to speak about the Milk Producers' nutrition education programs at a Manitoba Restaurant Association meeting. Participants were impressed at the quality and distribution of our material.

The Manitoba Dept. of Education's new Health Curriculum was distributed during the 1983-84 school year. Nutrition is a compulsory subject for teachers of kindergarten to grade 9. Each nutrition unit (K-9) is prefaced with the recommendation that teachers take part in our workshops, and refers to our resources and activities throughout. We will work with the Dept. of Education Curriculum Branch during the 1984-85 school year to ensure that all interested teachers are able to take part in our program. In keeping with the trend to "French Immersion" programs, we have ensured that all our teaching materials are available in French.

During the past year we have responded to many nutrition program requests from coaches, fitness instructors and elite athletes. We will soon have in-service material developed in conjunction with the Dept. of Health, Fitness Branch, for presentation to these groups throughout Manitoba. Delivery in rural areas, will be with the assistance of Dept. of Agriculture Home Economists. Just as teachers pass on nutrition information to a multiple of students, fitness leaders can reach an adult population with similar, sound advice.

Changes in provincial Day Care Licencing involve specific nutrition standards for meals and snacks. Our "Good Beginnings" program is an invaluable resource for day care staff in understanding and implementing these guidelines. We will work with the Provincial Day Care Directorate this year to see that all who wish to take part in the workshop have the opportunity.

Our school programs are now well in place and we will reach another large segment of the population through Health and Fitness professionals. In a time when people are increasingly interested in health issues, we should see our nutrition education reflected in a healthier population of milk drinkers.

SCHOOL MILK PROGRAM

The Milk Producers' of Manitoba should be gratified with both the success of the School Milk Program as well as with the acceptance and enthusiastic support our program has received from Teachers, Students and Parents alike.

The School Milk Program is now one year old. The 1983-84 Program wound down in June with a significant number of awards and cash prizes given out to Schools and Students throughout Manitoba.

A total of 166 schools enjoyed the opportunity of participating in our School Milk Program. 66 schools took part at the elementary level and 100 schools took part at the Junior and Senior High level. The schools participating were equally divided between the urban and rural areas.

The start of the 1984-85 session will introduce two new staff members to the School Milk Program, Audrey J. Gale, Director, and Bette-Lea Fraser, Promotions and Marketing Co-ordinator.

The established directive has been to design and implement a unique and innovative program that will encourage the student population to increase the consumption of milk throughout the Manitoba School System.

The program is designed on Two Levels:

1) a program for Elementary Schools - commonly referred to as the "K-6" program and
2) the Milk Spotter's Program developed for the Junior and Senior High Schools - commonly referred to as the "7-12" program.

Through well developed creative contests and consumption awards, the promotion program emphasizes the fun and goodness of milk.

Our elementary campaign will include a "Milk Mascot" contest which will offer an extension of the "Milk Awareness" program triggered last fall by both the Drawing and Wall Mural competitions. Cash awards and prizes are designed to interest and motivate the young consumer to be selective and choose "The Milk Way". Some of the promotional items that have proved very popular last year that will return to our 1984-85 program are:

cow erasers, designer shoelaces, and
Secret Order of the Moo collector's stickers.

Our junior and senior high campaign will add to the excitement of this year's activities by once again sponsoring a Province-wide Contest called "The Irreplaceable Song Search". This contest features a musical theme encompassing today's rock stars. Milk spotters are appointed to roam the school at lunch hour and spot students drinking milk.

Each student spotted drinking milk will receive a Scratch 'N Win ticket with a chance to be an instant winner of designer sun glasses, legionnaire hats and cassette tapes. The ratio of winning tickets is 50 per 1,000 which is more than double the prizes of last year.

Besides being an instant winner, a student could win by discovering a clue under the "Collect the Clues and Win" portion of the ticket. Every participating school will have the opportunity to collect the clues which will bring them one step closer to discovering the mystery singer. The contest will culminate in April with the following prizes:

A cash draw of $1,000 awarded to the winning school.

1st Grand Prize:	Stereo System (valued at $1,600)	Awarded to the winning student
2nd Grand Prize:	B/W portable TV Stereo (valued at $350)	Awarded to the winning student
3rd Grand Prize:	AM/FM Cassette Walkman (valued at $180)	Awarded to the winning student

Individual producers and their families can contribute significantly to the overall success of the program by getting involved - and making sure the schools in their area are participating in the School Milk Program.

MAY & EILER
CHARTERED ACCOUNTANTS
50 GLEN AVENUE
WINNIPEG, MANITOBA
R2M 1V5

W. C. MAY, C.A.
L. K. EILER, B.A., C.A.

AUDITORS' REPORT

To the Registered Producers of The Manitoba
Milk Producers' Marketing Board:

We have examined the statement of financial position of The Manitoba Milk Producers' Marketing Board as at July 31, 1984 and statements of operations of milk pool, administrative, transportation, promotional and northern allowance funds and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Board as at July 31, 1984 and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

May & Eiler

Chartered Accountants

Winnipeg, Manitoba
September 7, 1984 except as to
Note 6 which is as of
November 2, 1984

EXHIBIT A

THE MANITOBA MILK PRODUCERS' MARKETING BOARD

STATEMENT OF FINANCIAL POSITION

AS AT JULY 31, 1984

	1984	1983
CURRENT ASSETS:		
Cash	$ 3,665,831	$ 4,284,023
Accounts receivable	9,455,910	8,627,242
Prepaid expenses	109,951	48,198
Total current assets	13,231,692	12,959,463
CURRENT LIABILITIES:		
Producer cheques - unissued	7,863,556	7,516,753
Accounts payable and accrued liabilities	3,718,048	3,419,376
Total current liabilities	11,581,604	10,936,129
WORKING CAPITAL	1,650,088	2,023,334
OFFICE EQUIPMENT AND IMPROVEMENTS -		
at cost	220,340	197,864
Less accumulated depreciation	107,541	148,589
Net office equipment and improvements	112,799	49,275
REGISTERED PRODUCERS' EQUITY AND CAPITAL EMPLOYED	$ 1,762,887	$ 2,072,609
Represented by retained income(deficit) in following Funds:		
Milk Pool Administration (Exhibit C)	$ 1,867,321	$ 2,073,020
Board General (Exhibit C)	(317,081)	(117,098)
Market Sharing Plan (Exhibit C)	(75,800)	3,687
Transportation (Exhibit D)	271,793	104,048
Promotional (Exhibit E)	-	-
Northern Allowance (Exhibit F)	16,654	8,952
	$ 1,762,887	$ 2,072,609

Approved by the Members

EXHIBIT B

THE MANITOBA MILK PRODUCERS' MARKETING BOARD

STATEMENT OF MILK POOL FUND OPERATIONS

FOR THE YEAR ENDED JULY 31, 1984

	1984	1983
INCOME:		
Milk sold to processors	$109,546,851	$102,959,219
Total income	109,546,851	102,959,219
DISTRIBUTION:		
Payments to producers:		
Net payments to producers	93,094,827	87,256,035
Deductions for Board controlled Funds -		
Milk Pool Administration (Ex. C)	125,521	124,043
Board General (Ex. C)	350,413	345,838
Market Sharing Plan (Ex. C)	137,167	135,650
Promotional (Ex. E)	1,104,257	934,528
Transportation (Ex. D)	4,944,549	4,877,771
Northern Allowance (Ex. F)	71,652	70,740
Deductions determined by others:		
Canadian Dairy Commission	9,303,515	8,719,410
Manitoba Milk Producers Co-op Inc	60,703	49,902
Other deductions:		
Quality penalty levy (Ex. C)	84,830	66,085
Cheese freight assistance program	(7,615)	138,272
Total distribution to producers	109,269,819	102,718,274
Payments to other marketing boards:		
Ontario Milk Marketing Board	275,657	239,704
Deductions for Board controlled funds:		
Pool Administration (Ex. C)	363	209
Board General (Ex. C)	1,012	1,032
Total distribution to others	277,032	240,945
Total distribution	109,546,851	102,959,219
UNDISTRIBUTED INCOME BEFORE UNDERNOTED	-	-
UNRECOVERABLE DISTRIBUTION (Note 6)		
Canadian Dairy Commission assessment for provincial share of 1984 levy deficit	187,105	-
Appropriation from Milk Pool Administration	187,105	-
	-	-
UNDISTRIBUTED INCOME AT BEGINNING AND END OF THE YEAR	$ -	$ -

EXHIBIT C

THE MANITOBA MILK PRODUCERS' MARKETING BOARD

STATEMENT OF ADMINISTRATIVE FUNDS OPERATIONS

FOR THE YEAR ENDED JULY 31, 1984

	Milk Pool Administration	Board General	Market Sharing Plan	Total 1984	Total 1983
INCOME:					
Deductions (Ex. B).					
Milk producers...	$ 125,521	$ 350,413	$137,167	$ 613,101	$ 605,531
Other boards.....	363	1,012	-	1,375	1,241
Quality penalties	84,830	-	-	84,830	66,085
Cream producers....	-	-	30,170	30,170	30,410
Other income -					
Interest.....	495,084	-	-	495,084	564,740
Other.....	296	235	-	531	455
	706,094	351,660	167,337	1,225,091	1,268,462
EXPENSE:					
Data processing....	10,738	-	7,339	18,077	24,755
Depreciation.....	9,503	5,643	6,534	21,680	12,945
General operating..					
(Note 2).....	38,441	39,674	27,411	105,526	88,647
Members' per diem					
and travel.....	-	184,371	27,037	211,408	170,887
Memberships.....	-	26,595	-	26,595	18,804
Office occupancy...	25,590	15,308	17,402	58,300	66,214
Professional fees..	8,656	178,794	5,200	192,650	99,258
Grants.....	-	4,500	-	4,500	17,550
Salaries and					
benefits.....	233,305	96,758	155,901	485,964	441,277
	326,233	551,643	246,824	1,124,700	940,337
NET INCOME (LOSS) FOR THE YEAR.....	379,861	(199,983)	(79,487)	100,391	328,125
APPROPRIATION TO:					
PROMOTIONAL FUND...	(398,455)	-	-	(398,455)	(429,804)
MILK POOL FUND.....	(187,105)	-	-	(187,105)	-
RETAINED INCOME (DEFICIT) AT BEGINNING OF THE YEAR	2,073,020	(117,098)	3,687	1,959,609	2,061,288
RETAINED INCOME (DEFICIT) AT END OF THE YEAR.....	$1,867,321	$(317,081)	$(75,800)	$1,474,440	$1,959,609

EXHIBIT D

THE MANITOBA MILK PRODUCERS' MARKETING BOARD

STATEMENT OF TRANSPORTATION FUND OPERATIONS

FOR THE YEAR ENDED JULY 31, 1984

	1984	1983
INCOME:		
Producer deductions (Ex. B)	$4,944,549	$4,877,771
Processor charges for diversions	2,569	85,641
Other freight charges to northern plants	233	475
	4,947,351	4,963,887
EXPENSE:		
Transporter payments -		
Assigned plants deliveries	4,682,052	4,559,683
Diversions	88,546	239,967
Extra pick-up	4,288	3,652
Professional fees	4,400	4,073
Allowance for disputed diversion charges	-	87,393
Other	320	-
	4,779,606	4,894,768
NET INCOME FOR THE YEAR	167,745	69,119
RETAINED INCOME AT BEGINNING OF THE YEAR	104,048	34,929
RETAINED INCOME AT END OF THE YEAR	$ 271,793	$ 104,048

EXHIBIT E

STATEMENT OF PROMOTIONAL FUND OPERATIONS

FOR THE YEAR ENDED JULY 31, 1984

	1984	1983
INCOME:		
Producer deductions (Ex. B)	$1,104,257	$ 934,528
EXPENSE:		
Advertising	73,059	122,980
Dairy Bureau of Canada	1,076,602	1,061,930
Depreciation	8,019	1,497
Members' per diem and travel	5,311	4,858
Occupancy	21,357	8,960
Office supplies	8,736	2,135
Postage and telecommunication	12,356	6,328
Printing	8,625	3,720
Promotional materials	104,368	29,917
Salaries and benefits	149,679	104,674
Staff travel and meetings	15,227	9,484
Other	19,373	7,849
	1,502,712	1,364,332
(LOSS) FOR THE YEAR	(398,455)	(429,804)
APPROPRIATION FROM MILK POOL ADMINISTRATION FUND	398,455	429,804
RETAINED INCOME AT BEGINNING OF THE YEAR	-	-
RETAINED INCOME AT END OF THE YEAR	$ -	$ -

EXHIBIT F

THE MANITOBA MILK PRODUCERS' MARKETING BOARD

STATEMENT OF NORTHERN ALLOWANCE FUND OPERATIONS

FOR THE YEAR ENDED JULY 31, 1984

	1984	1983
INCOME:		
Producer deductions (Ex. B).....	$71,652	$70,740
EXPENSE:		
Payments to northern producers.....	63,950	62,653
NET INCOME FOR THE YEAR.....	7,702	8,087
RETAINED INCOME AT BEGINNING OF THE YEAR.....	8,952	865
RETAINED INCOME AT END OF THE YEAR.....	$16,654	$ 8,952

EXHIBIT G

THE MANITOBA MILK PRODUCERS' MARKETING BOARD

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED JULY 31, 1984

	1984	1983
SOURCE OF FUNDS:		
From operations -		
Net income of Funds -		
Milk Pool Administration	$ 379,861	$ 418,822
Transportation	167,745	69,119
Northern Allowance	7,702	8,087
	555,308	496,028
Amortization of deferred charges	-	1,967
Depreciation	29,699	12,476
Loss on disposal of equipment	390	-
Total funds from operations and total source of funds	585,397	510,471
USE OF FUNDS:		
To operations -		
(Loss) of Funds -		
Milk Pool (unrecoverable distribution)	(187,105)	-
Board General	(199,983)	(54,717)
Market Sharing Plan	(79,487)	(35,980)
Promotional	(398,455)	(429,804)
	(865,030)	(520,501)
Purchase of equipment	93,613	24,060
Total use of funds	958,643	544,561
(DECREASE) IN WORKING CAPITAL FOR THE YEAR	(373,246)	(34,090)
WORKING CAPITAL AT BEGINNING OF THE YEAR	2,023,334	2,057,424
WORKING CAPITAL AT END OF THE YEAR	$1,650,088	$2,023,334

THE MANITOBA MILK PRODUCERS' MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS

JULY 31, 1984

1. Summary of Activities and Significant Accounting Policies:

The Manitoba Milk Producers' Marketing Board is responsible under the statutes of Manitoba for the purchase, transport and sale of all milk in the Province.

Milk Pool Fund -

(a) Selling prices - The value of milk sold to processors is determined by its final product use. The Board sets the prices charged to processors except for Class I milk which is set by the Manitoba Milk Prices Review Commission. For purposes of accountability to producers the Board credits income from processor sales to a milk pool.

(b) Cost of sales - Income from processor sales in the milk pool referred to above is paid to the individual producers based on the quality and quantity of milk shipped. The operation of the milk pool is accounted for in Exhibit B.

Producer Deduction Funds -

Operating expenses - The Board is authorized through provincial statute to deduct fees from milk pool payments to producers to cover its operating expenses. Such deductions are accounted for separately in Exhibits C, D, E and F.

Office equipment and improvements are generally valued at cost. Depreciation is provided for on the straight-line basis over an estimated life of 5 years for equipment and the lease term for improvements.

2. General Operating Expense:

	Milk Pool	Board General	Market Sharing Plan	Total
Advertising.....	$ -	$ 3,116	$ -	$ 3,116
Annual meeting.....	-	10,322	-	10,322
Office supplies.....	14,976	5,514	6,520	27,010
Postage and telecommunication	13,670	15,822	8,922	38,414
Staff travel.....	3,315	1,647	7,759	12,721
Sundry.....	6,480	3,253	4,210	13,943
	$38,441	$39,674	$27,411	$105,526
1983 for comparison.....	$33,504	$36,941	$18,202	$88,647

3. Commitments:

Operating lease for office space at a base rental of $56,520 per annum until March 31, 1987. Annual share of property taxes, maintenance and electrical costs are added to this rental ($23,907 in 1984).

4. Pension Plan:

Employees of the Board participate in the Manitoba Civil Service Superannuation Board pension plan on a contributory basis. The Board deposits contributions matching those of employees with the pension plan. The financial statements of the pension plan indicate that it had no unfunded pension liability at July 31, 1984 based on the most recent actuarial report.

5. Elected Members Per Diem and Travel Expenses:

Members are paid a per diem of $123 and the Chairman $170 for time spent at meetings or on business matters of the Board.

	1984	1983
Per diems paid.....	$140,532	$113,621
Travel and other expenses.....	76,187	62,124
	$216,719	$175,745

6. Subsequent Event:

The Canadian Dairy Commission has assessed the Board $480,000 for its pro-rata share of the Commission's 1984 producer levy deficit. Provision for this charge has been made in the Board's accounts. The deficit will be recovered from Manitoba producers as follows:

Assessment received.....	$480,000
Recoverable through reduction in over quota levies refundable to producers.....	292,895
Unrecoverable distribution.....	$187,105

POOR

QUALITY

ORIGINAL